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SUBJECT: THE LIBERALS GETTING THEIR GROOVE BACK

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¶1. (SBU) Summary: Since December, interim federal Liberal Party leader Michael Ignatieff has set in motion changes to overhaul fundraising, to centralize administration, to restore confidence, and to rebuild the party's claim to be Canada's "natural governing party." The biennial Liberal Convention in Vancouver beginning on April 30 will formally confirm him as leader. Without any of the usual leadership race glamor, the event may live down to predictions of a "Seinfeld Convention" about nothing, but the behind-the-scenes focus will be on making the party battle-ready for a federal election, likely within the next ten months. The test for Ignatieff in coming months will be whether he can define appealing policy prescriptions -- especially on the economy -- that differ substantially from the Conservatives and are at the same time easy to explain to the electorate. End summary.

BACK ON COURSE

¶2. (SBU) Federal Liberals will convene in Vancouver from April 30 to May 3 formally to ratify Michael Ignatieff as leader, to boost morale, to hone election techniques, and to approve proposed reforms to party organization. Since Stephane Dion's hurried departure in December (reftel), Ignatieff has largely expunged his predecessor's legacy -- especially support for an unpopular coalition with the New Democratic Party, as well as Dion's signature "Green Shift" policy. He has begun to steer the party back to the political center, recruited new staff, and reached out to experienced players from three back-to-back Liberal majority governments in the 1990s. In April, newly-appointed National Director of the Liberal Party Rocco Rossi described the aim of the upcoming convention as primarily to demonstrate that Liberals are "back on course" and are "people who have their act together, who can govern themselves and, therefore are earning the right to govern." As a down payment on that promise, he forecast that the Liberal Party would retire its remaining October 2008 election debt by the end of May.

¶3. (SBU) In order philosophically to move on, the Liberal Party will open the convention with a traditional tribute, of sorts, to Dion, although many were startled to learn that the party had engaged the same videographer who produced the now infamous out-of-focus film in December that accelerated Dion's resignation. Organizers will even hold a fundraising reception to pay off Dion's remaining debt from his 2006 leadership race, which stood at C\$200,000 as of December **¶31.** Nine other 2006 leadership candidates also still owe money from that race, but Ignatieff and foreign affairs critic Bob Rae have paid off their own loans.

FOCUS ON THE NUTS AND BOLTS

¶4. (SBU) Liberal Party sources and media have predicted that between 1,500 and 3,000 delegates would gather in Vancouver, far fewer than those eligible to attend. Delegates will have some opportunity to air policy ideas, but the focus will be on election readiness, feel-good team-building, and organization, or as one senior party official described it, on "plumbing, and engine-room

stuff." The hardware reportedly includes new voter database software purchased from the Obama presidential campaign. To make maximum use of this technology, the Liberal Party is taking steps to centralize administration, fundraising, membership lists, and election preparation to help it better to compete with the Conservative's proven voter tracking and fund-raising machine. The organizational changes, which will face a formal vote by convention delegates, would effectively end the Liberal Party's traditional Qdelegates, would effectively end the Liberal Party's traditional structure as a loosely federated body of provincial and territorial associations. In the past, provincial wings have jealously guarded their membership and donor lists, as well as their autonomy, and resisted efforts at centralization.

¶15. (U) Ignatieff will also push delegates to approve a one-member, one-vote system for electing future party leaders in place of the present delegate system, despite the failure of a similar proposal at the 2006 convention. The reform's supporters argue the mechanism is cheaper and more democratic, if less politically flashy.

PUTTING TOGETHER THE TEAM

¶16. (U) On Parliament Hill, Ignatieff has restructured his own Opposition Leader's Office (OLO) and the separate Liberal Research Bureau (responsible for Question Period research, strategy, and running the Liberal "War Room" during elections) in order to unify operations, election preparation, and communications. In addition to Principal Secretary Ian Davey and acting Chief of Staff Paul Zed, Ignatieff has hired Don Guy, an experienced strategist and former Chief of Staff to Ontario Liberal premier Dalton McGuinty, as campaign director. Chretien-era Liberal insider and Toronto political consultant Warren Kinsella (whose mockery of then-Canadian

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Alliance leader Stockwell Day in the 2000 federal election was partly credited for a Liberal victory) will reportedly return to run the Liberal War Room in the next election. New National Director Rossi comes from a highly successful fundraising stint at the Heart and Stroke Foundation. Insiders expect the convention to acclaim a second Ignatieff confidante, Toronto lawyer Alfred Apps, as new National President, in charge of party administration.

¶17. (SBU) In March, Ignatieff recruited former party whip and four-term Liberal MP Karen Redman as a senior aide in his office to work on tactics, logistics, and election readiness. Redman replaced veteran Liberal Chretien-era cabinet minister Don Boudria, who had stepped in temporarily to help out in December.

¶18. (SBU) The inner circle is supported by what one Liberal staffer approvingly described as a "very young, but very smart, and highly energized" staff in the OLO. When Parliament is in session, Ignatieff meets each morning with a newly-created 12 member Strategy and Tactics Committee, or so-called "Kitchen Cabinet," made up of experienced MPs (including former British Columbia premier Ujjal Dosanjh, House Leader Ralph Goodale, and defence critic Denis Coderre) and chaired by Ontario MP Albina Guarnieri, an organizer for then-PM Paul Martin. The Committee reviews strategy for Question Period, monitors issues, and liaises with caucus. The Committee has been notable for its deliberately low-profile and absence of leaks, as well as its effort to be "inclusive" of caucus, which had often complained of being kept in the dark by Dion's advisors.

LOOKING AHEAD

¶19. (SBU) Ignatieff has apparently imposed greater discipline within caucus, notably improving caucus confidentiality. In March, the party announced that it would protect all its 77 incumbent MPs from nomination challenges as candidates in the next election, as long as individual MPs could show by June 2009 that their riding [district] associations had at least 400 members as well as 40 party donors who donate C\$10 or more on a monthly basis.

¶10. (SBU) The leader has also appointed renewal and policy platform

committees to replenish the party's policy book. The party has solicited grassroots input in online forums such as the new Liberal members-only website "EnFamille," and there is a separate process for caucus members to channel policy proposals. According to Liberal MPs tasked with program development, however, the leader is ultimately responsible for the content of the election platform. Ignatieff had pledged to hold a "Thinker's Conference" early in his tenure as leader to bring together Liberals and academics to brainstorm ideas for policy and election strategy on the model of a seminal 1960 Liberal Party conference. Liberal MPs have privately confirmed that these plans are still on track for the summer or fall; Ignatieff deliberately chose to wait until after his formal ratification as leader rather than holding these strategic discussions during his "interim" phase.

¶11. (SBU) Arguing that they need to hold their cards close to their chest to avoid the other parties "stealing" their ideas, the leader and Liberal MPs have delineated only a few "broad strokes" priorities, such as "nation-building/national unity," citizenship, "social coherence," social justice, and "national values" as the basis for their platform in the next election. Ignatieff has urged Canadians, notably in his latest book -- "True Patriot Love," a story of his maternal ancestors and their contributions to Canada -- to "think big" about the country. However, apart from promoting the Qto "think big" about the country. However, apart from promoting the construction of a high-speed rail link between Quebec City and Windsor, Ontario, arguing for changes to loosen eligibility for Employment Insurance, and promising that no Canadians would be "left out" under a Liberal government, he has remained vague on details or other policy priorities. The Conservatives have thus far held off from the kind of attack ads they successfully deployed against Dion, but they have taunted him repeatedly for his offhand comment that Canadians eventually would have to face higher taxes to pay for current deficit spending on stimulus packages.

AHEAD IN THE POLLS, JUST

¶12. (SBU) As Liberals head into their convention, they do so ahead in the polls. In an April 23 Harris-Decima poll, the Liberals edged in front of the Conservatives at 32 pct to the Conservatives' 29 pct nationally, largely based on gains in the key battleground provinces of Ontario, Quebec, and British Columbia, the collapse of Conservative support in Quebec, and strong support among female voters. A series of polls since March have confirmed the upward trend, reportedly prompting more hawkish Liberals to press Ignatieff to trigger an election as early as June. Liberal MPs Denis Coderre and Bob Rae have told PolMinCouns separately that they would support an election "the sooner the better." Other Liberal MPs, however, predict an early 2010 election. In exchange for passing the 2009 Conservative budget, the Liberals had demanded economic "report

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cards" no later than June and December, on which they could potentially base confidence motions in early summer or late fall to force a federal election. The 2010 budget in February/March 2010 would be the next logical trigger.

COMMENT

¶13. (SBU) In the last four months, Ignatieff has had the luxury of a prolonged political and media honeymoon in which to begin to reshape the Liberal Party. Most Liberals seem happy with the changes; one staffer noted with relief that "the professionals are back in charge." Liberals are upbeat after three years of tough times, even though their margin in the polls is still slim. Although the media focus at the convention may prove to be "All Ignatieff, All the Time," delegates (many of whom will shoulder their own costs in Vancouver) appear motivated. Nonetheless, the real test for Ignatieff in coming months will be whether he can maintain party spirit, continue to push through needed reforms, and define appealing policy prescriptions -- especially on the economy -- that differ substantially from the Conservatives and are at the same time easy to explain to the electorate.

BREESE